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FIRST REGIONAL COOPERATION FRAMEWORK FOR LATIN AMERICA AND THE CARIBBEAN (1997-1999)

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INTRODUCTION

1. The present document describes the UNDP plans for regional cooperation in Latin America and the Caribbean for the three-year period 1997-1999. The first regional cooperation framework (RCF) is the result of a broad consultation process, which began at a meeting between representatives of UNDP and the concerned Governments, held in Rio de Janeiro, Brazil, in November 1995, on the approach and priorities of the regional programme. The process culminated in Mexico City, Mexico, on 29 March 1996, in the Consultative Meeting on the Regional Programme, attended by senior representatives of the Governments in the region, the Economic Commission for Latin America and the Caribbean (ECLAC) and UNDP headquarters, as well as the UNDP resident representatives of the countries in the region. The present document reflects the consensus that emerged on the main strategic, substantive and operational aspects of the regional programme.

2. The first RCF has benefited from the experience gained and lessons learned during the fourth regional programme (1992-1996). It also addresses the recommendations of the draft report on the evaluation of the impact of regional, interregional and global programmes carried out by UNDP during 1996. An important goal is to establish synergistic relationships with the UNDP global programme, to benefit from economies of scale and broad development perspectives of the organization, as well as with national programmes, to ensure the relevance of the regional programme to the priorities of the countries in the region.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

3. According to the Human Development Report 1996, Latin America and the Caribbean enjoy a relatively high average index of human development (0.824). However, this average index masks considerable differences between individual countries, as well as disparities within the countries.

4. Despite achievements of macroeconomic stability by the early 1990s, the countries of the region still face severe problems of volatility of international capital flows, extreme poverty, poor governance structures and the unsustainable use of natural resources. Social inequalities have increased sharply and the status of women in the social and political fields leaves much to be desired.

5. Poverty and social inequality. During the 1990s, most of the region successfully restored its macroeconomic balance and reduced inflation to manageable levels, by implementing rigorous adjustment policies. Economic growth between 1990 and 1994 averaged 3 to 4 per cent, although a mere 0.6 per cent in growth was recorded in 1995. Preliminary data for 1996 indicate that the regional economy is recuperating. However, the economic crises that hit Mexico and Argentina in 1995 reveals the true fragility of the region's economic system.

6. For the anglophone Caribbean, a sharp decline in economic growth between 1991 and 1994 was recorded, in contrast to the rates achieved in the 1980s. The end or decline of preferential trade arrangements (the Lome IV Convention, for example) along with the expansion of other competitors threatens to undermine the basis for even the modest growth currently being experienced. Moreover, the frequency of hurricanes and tropical storms highlights the vulnerability of the small Caribbean States and in part explains the slower growth in several of these countries.

7. Despite the progress made on economic stabilization, poverty and inequity continue to grow throughout the region: between 1980 and 1990, the number of poor increased by 60 million, which brought the total number of people subsisting on an income of less than $60 per month to 196 million. Four out of every ten persons are poor, and almost half of the poor live in absolute poverty; the richest 20 per cent of the population have incomes 15 times higher than that of the poorest 20 per cent. Poverty and inequality are made worse by the social exclusion affecting specific sectors of the population, particularly women and indigenous groups. The income of women in urban areas is only 66 to 80 per cent of that of men with the same level of education. Similar problems but in worse degrees affect indigenous populations and other ethnic groups.

8. Environment and sustainable development. The region possesses an important resource endowment for development. It contains 18.2 per cent of the world's forest cover and 63 per cent of its tropical forest cover. The region's tropical ecosystems hold a high percentage of the world's estimated biodiversity, fisheries and mineral resources (gold, diamonds, bauxite), as well as huge hydrological potential and abundant sources of renewable and non-renewable energy. The Caribbean countries possess extensive maritime resources, biodiversity, and a natural beauty that is an asset to the tourist industry. Despite these advantages, current rates of deforestation and soil erosion, urban and water pollution, depletion of non-renewable resources, and loss of biodiversity all indicate that the region's current style of development is unsustainable. The production and use of energy has been the source of serious environmental problems, namely, acidification, climate change, forest depletion, urban atmospheric pollution and water pollution. Poverty, the failure to internalize social and environmental costs, economies that undervalue the goods and services produced by the region's ecosystems, and the absence of sustainability oriented land-use planning have resulted in environmental degradation in many countries.

9. As part of their efforts to regenerate and protect the environment, all the Governments of Latin America and the Caribbean have signed the Convention on Biodiversity and the United Nations Framework Convention on Climate Change, as well as a large number of regional and subregional agreements on protection and the sustainable use of international water systems, coastal and marine areas, biologically diverse ecosystems, and environmentally vulnerable areas. At the Global Conference on the Sustainable Development of Small-Island Developing States, held in Bridgetown, Barbados, in 1994, the international community recognized the special conditions of the Caribbean countries, characterized by their exceptional vulnerability to natural disasters.

10. Governance and democratic development. Between 1974 and 1993, in a major shift towards democratization, more than 130 presidential and parliamentary elections were held in Latin America and the Caribbean. The emergence of a more dynamic civil society has been accompanied by greater pressures for participation and demands for more equity. This evolution, together with the changes brought about by the globalization of the international economy, has increased the demands on existing institutions. Paradoxically, the application of adjustment programmes aimed at reducing the size of the State have in some instances contributed to constraining the capacity of the state institutions to respond to the increased demands of a more complex society. The lack of adequate representation in political bodies, the loss of confidence faced by political parties and leaders, the weaknesses in the judicial system, an absence of security for individuals, economic inefficiency, and, in general, the lack of participation of civil society are all obstacles to the achievement of the consensus that is needed to promote development in the countries of the region. Tensions stemming from economic difficulties are affecting democratic governance even in countries in the anglophone Caribbean, which historically have had a vibrant culture of democracy.

II. RESULTS AND LESSONS OF PAST COOPERATION

11. The mid-term review of the fourth regional programme, the report on which may be found in document DP/1995/47/Add.5, dated 30 June 1995, concluded that the regional programme had proved its effectiveness and impact and that its role should grow in the future despite UNDP-wide resource shortages. In summary, the report recommended that the regional programme: (a) involve to a greater extent the Governments and the country offices in the preparation and implementation of the next regional programme, through bilateral and collective consultations; (b) focus on fewer priorities and a smaller number of high-impact projects; (c) focus on policy rather than on operational activities, except for service-type projects of concrete interest to the region or one of its subregions; (d) avoid institutional support; and (e) expand technical cooperation among developing countries (TCDC).

III. PROPOSED STRATEGY AND THEMATIC AREAS

12. Taking into account the consensus achieved during intergovernmental and other consultations on the approach and strategy of the regional programme, the convergence of regional priorities and the UNDP priorities mandated by the Executive Board and the limited core resources available for the three-year period (see annex), the regional programme has been designed as follows: (a) to serve as a catalyst for debate and greater interaction among the many different actors, including Governments, the public and private sectors, non-governmental organizations (NGOs) and civil society in general, in order to promote common perspectives on key elements of sustainable human development; (b) to facilitate the elaboration of instruments for transferring and adapting regional thinking and the regional vision to the needs of each country, through, inter alia, the

establishment of networks, information systems and inter-agency agreements; (c) to strengthen dialogue among Governments, by supporting the exchange of experiences through horizontal cooperation and optimizing the use of the region's existing capacities; and (d) to provide services, taking advantage of the management capacity of UNDP, and to mobilize additional resources for the region.

13. The regional programme will focus on five priority areas: (a) social development and poverty eradication; (b) environment and development; (c) governance and consolidation of democracy; (d) trade and integration; and (e) science and technology.

14. There is a clear interrelationship among the five areas of concentration in the regional programme, which has been structured to integrate their different dimensions. In order to mainstream the gender issue, within each priority area, specific resources will be allocated for gender-related activities, as a cross-cutting theme. Within each area of cooperation, specific activities will reflect the guiding principles emerging from the various thematic intergovernmental, regional and hemispheric conferences, as described below. In addition, specific linkages will be established with relevant activities of the UNDP global programme and with resources specially earmarked for programmes linked to commitments made in the context of the Global Conference on the Sustainable Development of Small Island Developing Countries.

A. Social development and poverty eradication

15. At the World Summit for Social Development (Copenhagen, 1995), UNDP was specifically mandated to support the follow-up to the Plan of Action, emphasizing its poverty eradication focus. Under the first RCF, regional cooperation will contribute to the fulfilment of this mandate, taking into account the conclusions of the Meeting of Social Welfare Ministers from the Rio Group, held in May 1995, and the Conference on the Eradication of Poverty and Discrimination, held in Santiago, Chile, in January 1996.

16. In this context, the regional programme will:

(a) Contribute to the development of a regional vision on the interrelationship between macroeconomic policy and its social effects. Towards this end, the programme will support at the regional level: (i) the analysis and debate of successful experiences; and (ii) the formulation of policies with an emphasis on poverty eradication;

(b) Contribute to national programmes, promoting, when requested, the incorporation and implementation of the perspectives and policy options that emerge from the regional debate. Support will be provided for: (i) the development of management capacities for preparation and implementation of national poverty eradication programmes, through regional workshops on the formulation, implementation, follow-up and evaluation of strategies and programmes in the context of national poverty eradication plans; (ii) the further development, refinement and dissemination of methodologies and indices

for purposes of poverty measurement; (iii) the exchange of relevant social and economic experiences between government, academic, non-governmental and private institutions, social investment funds and networks with expertise in the area; (iv) the development of strategic alliances and linkages between the public and private sectors and NGOs, to secure human development-oriented social and economic reform policies; (v) the development of the capacity to assess and make the best use of new and emerging technologies, for example, information technology to promote social services, education, etc;

(c) Produce regional reports focusing on human development issues of common concern to the region. The reports will be the product of a region-wide debate, held in the form of seminars, workshops and consultations.

B. Environment and development

17. While the regional programme will be guided by the resolutions and priorities emanating from the upcoming Hemispheric Summit on Sustainable Development, which is scheduled to be held in Santa Cruz, Bolivia, in December 1996, several strategically important activities have been identified for support, as described in paragraph 18 below. These activities also reflect or complement concerns expressed by the Alliance for Sustainable Development of Central America and in the Global Conference on the Sustainable Development of Small Island Developing States.

18. The regional programme will:

(a) Contribute to the design of national sustainable development strategies, based on real valuation of ecosystem goods and services, the internalization of environmental costs, and the participatory development of regulatory and incentive frameworks. As part of this effort, UNDP will join other partners at the regional level to promote and disseminate methodologies to develop national environmental accounting systems, as well as to contribute to the development and updating of environmental legislation;

(b) Assist the trade integration groups within the region to develop harmonized positions in the context of World Trade Organization (WTO) negotiations on trade and environment and the corresponding legal standards;

(c) Promote, in conjunction with the Global Environment Facility (GEF) and with the support of other donors, regional cooperation in programmes aimed at the common management of shared resources (e.g., watersheds and water bodies, common ecosystems and biodiversity), to ensure improvements in productivity, as well as the sustainability and quality of goods and services provided by those resources;

(d) Assist, in conjunction with GEF and with the support of regional institutions and donors, in the development of policies and strategies aimed at increasing energy efficiency, developing renewable energy sources, and collaborating in the development and dissemination of new energy technologies.

Likewise, the programme will promote the design of privatization policies that will also facilitate access by the poor to affordable energy services;

(e) Collaborate with the UNDP Special Unit for TCDC to support the implementation of the Programme of Action for Small Island Developing States adopted in 1994 and to make the Small Island Developing States Information Network operational. A specific allocation will be made to support the Multi-Island Programme.

C. Governance and democratic development

19. Although the region has made important progress in the process of democratization, most of the countries share the awareness that there is a need to improve institutional structures so as to ensure greater effectiveness, equity and justice. UNDP has made substantive contributions to the regional debate aimed at defining an agenda geared to democratic governance.

20. In this context, and respectful of national sovereignty, the regional programme will focus on institutional reform and capacity-building of certain priority institutions (i.e., judiciary, parliaments) and support to processes of decentralization, aiming at an improved participation of civil society. Drawing on the conclusions of the upcoming Ibero-American Summit of Heads of State and Governments, which is scheduled to be held in Chile, in November 1996, the regional programme will:

(a) Contribute to consensus-building in defining a regional agenda on democratic governance issues, through the promotion of high-level governmental and regional technical workshops and fora and the sharing of experiences on reform in priority areas;

(b) Support national programmes, according to country-specific characteristics, through the dissemination of theoretical knowledge and practical experiences. The use of databases on structural reform and methodologies and mechanisms of exchange will be promoted, and when requested by countries, experts at the regional level will assist in the preparation of national programmes, liaising as appropriate with sources of finance. Priorities include: (i) judicial systems: support to processes to ensure the independence of the judiciary, its restructuring and decentralization, the strengthening of functions such as public defense, special proceedings for youthful offenders, reform of the criminal process, training of judges, district attorneys and magistrates, and promotion of human rights; (ii) decentralization and reform of the State: support for the design of comprehensive conceptual frameworks for decentralization, taking into consideration the political, economic, financial, social, cultural and administrative aspects of reform; establishment of an appropriate legal framework to clearly define the competence of each administrative level and the mechanisms for resolving conflicts of jurisdiction; strengthening of management capacities of local governments and organizations; improvement of financial systems; and creation of opportunities for the participation of civil society organizations; (iii) parliaments: support for reforms to increase effectiveness, including of their political

regimes and internal structures; improve relations with other powers and with civil society; establish mechanisms for the formulation of legislation and access to expertise; create a dialogue between political parties and civil society; promote debate on internal democracy within political parties and methods to elect candidates for public office;

(c) Support the subregional governance programme in Central America in the priority areas of justice, public security, decentralization and fiscal reform;

(d) In conjunction with ECLAC, promote debate on the economic dimensions of governance;

(e) Promote a culture of democracy by forging strategic partnerships with the communications media;

(f) Improve coordination among cooperation partners. UNDP and other development cooperation organizations (the World Bank, the Inter-American Development Bank (IDB), the Organization of American States, the United Nations Educational, Scientific and Cultural Organization and others) have established a common mechanism to further coordination of development cooperation in the area of governance.

D. Trade and integration

21. The Latin America and the Caribbean region has been moving quickly towards integration, as witnessed by the decisions of the successive Ibero-American Summits of Heads of State and Government, the consolidation of the South Cone Common Market, the continuity of the Group of Rio, the Andean Pact, the Caribbean Community, the Central American Common Market and the Association of Caribbean States. Within this larger movement for political and economic consolidation and integration, trade enjoys an eminent position on the integration agenda in Latin America, and even more so in the Caribbean. The countries in the region are faced with the challenge of accommodating both their national legislations and their subregional frameworks to the newly emerging realities dictated by the WTO Accords and the commitments arising from the Hemispheric Summit of Miami to establish by 2005 the Free Trade Area of the Americas (FTAA). Furthermore, to the extent that the implications of trade liberalization and globalization are central to competitiveness and employment concerns, trade issues become increasingly linked to poverty alleviation, employment creation and governance strategies.

22. In the above context the regional programme will support regional integration groups in their efforts to develop harmonized regional positions in the context of: (a) the existing accords resulting from the Uruguay Rounds, with special emphasis on the General Agreement on Trade in Services; (b) possible issues for negotiation within the context of WTO, such as the environment, labour matters, the regulation of competition and investment regimes, and the movement of physical persons; and (c) the FTAA, in accordance with the criteria established by a ministerial-level meeting held in Cartagena.

23. The above-mentioned support will be provided through studies, seminars and technical workshops, in collaboration with ECLAC, the United Nations Conference on Trade and Development, the Latin American Economic System (SELA), and other regional mechanisms, such as the Latin American Integration Association (ALADI). The programme will take into account the conclusions and recommendations of the Group of 77-organized South-South Conference on Trade, Finance and Investment, which will take place in Costa Rica, in January 1997.

E. Science and technology

24. In the context of a world economy that is highly competitive and open, scientific and technological progress and innovation are essential to sustainable development in the region. New and generic technologies offer real opportunities to enhance productivity and competitiveness, as well as to advance sustainable human development. In order to harness such opportunities, policies on science and technology must be strengthened, particularly to facilitate their practical application. There are many examples of areas where new and emerging technologies can help countries advance sustainable human development. Information technologies, for example, offer good opportunities to promote health services and distance education. Likewise, environmental technologies can greatly enhance the efficiency with which energy and materials are handled, resulting in economic gains and considerable waste reduction.

25. Great disparities in scientific and technological knowledge and competence exist within the region. Moreover, the absence of links between research institutions and the private sector makes it difficult to ensure the practical application of knowledge. Since the available resources will not allow the financing of large research or technological development projects or the continued provision of institutional support, the regional programme will aim to use technology as a means to further the objectives of its sectoral themes by: (a) promoting strategic thinking in the field of science and technology in those countries where capacities are still at the early stages of development, in accordance with the government commitments expressed through existing mechanisms such as the meetings of Ministers of Science and Technology; and (b) supporting the interaction of existing networks linking the private sector and public institutions in the areas of science and technology directly related to the objectives of sustainable human development, in close cooperation with the Special Unit for TCDC, the Private Sector Development Programme and relevant United Nations agencies.

V. MANAGEMENT ARRANGEMENTS

A. Execution and implementation

26. While it is anticipated that parts of the regional programme will be executed by United Nations agencies, in particular the United Nations Office for Project Services and ECLAC, emphasis will be placed on national execution, to the extent that responsibility can be assumed by relevant regional organizations, with the support of the respective UNDP offices. One example is

the arrangement for the implementation of the GEF-funded Meso-American Biological Corridor, where the Central American Commission on Environment and Development has assumed responsibility, with the support of the UNDP office in Guatemala. Close coordination with the UNDP global programme, the Special Unit for TCDC, the United Nations Development Fund for Women, the United Nations Volunteer programme, and other relevant UNDP organizational areas will be maintained, as appropriate.

B. Coordination, monitoring, evaluation, review and reporting

27. Efforts will be made to ensure greater participation in regional cooperation by the Governments of the region and by UNDP country offices. Closer coordination will also be sought with regional organizations, United Nations agencies and multilateral funding agencies, as well as greater involvement of civil society. Towards this end, the following mechanisms will be promoted: (a) meetings with the representatives of the region at the Executive Board, in which other countries of the region may also participate; (b) the setting up of working groups at the early stages of formulation of the subprogrammes: the working groups will have varying modalities and timetables, in accordance with such major regional events as the upcoming 1996 summits on governance and on sustainable development; (c) follow-up and evaluation, with the participation of the various actors in the regional programme, namely, Governments, UNDP offices, civil society and cooperating agencies; (d) quarterly information bulletins to report on the progress of the programme, including on regional events, successful experiences, up-to-date studies and publications; and (e) the use of electronic communications systems.

28. In close collaboration with the UNDP Office of Evaluation and Strategic Planning and other UNDP units, a methodology incorporating indicators and benchmarks will be designed, to monitor and evaluate the components of the regional programme. Annual reports will be submitted to the UNDP Programme Management Oversight Committee and a triennial report will be submitted to the Executive Board.

C. Resource mobilization

29. UNDP financial allocations for the regional programme have been reduced considerably. Therefore, one of the major challenges will be to mobilize extra-budgetary resources. For this purpose, building on the promising experience of the fourth regional programme, partnerships and strategic alliances with international financial institutions and other multilateral cooperation agencies will be strengthened, especially the World Bank, the European Union, IDB, the Andean Development Corporation and the Fund for the Plata Watershed (FONPLATA). Likewise, efforts will be made to mobilize resources from the Governments of the region, as well as from bilateral donors. The possibility of cooperating with and mobilizing resources from the private sector will also be explored. The annex to the present document provides a breakdown of the estimated resources for the first RCF.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR LATIN AMERICA AND THE CARIBBEAN (1997-1999)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	-	
Line 1.2	20 775	
SPPD/STS	1 000	
Subtotal	21 775	
NON-CORE FUNDS		
Government cost-sharing	3 000	
Sustainable development funds	46 000	GEF
Third-party cost-sharing	5 000	
Funds, trust funds and other	12 000	
Subtotal	66 000	
GRAND TOTAL	87 775	

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SSPD = support for policy and programme development; and STS = support for technical services.